

RANGEL, STARK, COLLEAGUES REQUEST MORE WITNESSES ON ADMINISTRATION WITHOLDING OF MEDICARE ESTIMATES

Wednesday, 24 March 2004

Former CMS Administrator Scully and White House Health Advisor Badger Would be called to Testify

FOR IMMEDIATE RELEASE

Thursday, March 25, 2004

Contact: Lindsey Capps (202) 225-5065

Rangel/Dan Maffei or Jennifer Whitson (202) 225-4021

RANGEL, STARK, WAYS & MEANS DEMOCRATS REQUEST ADDITIONAL WITNESSES ON ADMINISTRATION WITHOLDING OF MEDICARE BILL ESTIMATES

Former CMS Administrator Scully and White House Health Advisor Badger Would be called to Testify

WASHINGTON — Rep. Charles B. Rangel (D-NY), Rep. Pete Stark (D-CA), and eight other Ways and Means Democrats signed a letter requesting additional witnesses appear to testify on matters related to the estimated cost of the Medicare Modernization Act of 2003. Under House Rule 11, clause 2(j)(1), the minority on a Committee is entitled to call witnesses to testify on the same subject as that of the hearing during which they make the request.

“This is a search for the truth. It’s not a search for Democratic truth or Republican truth. It’s so that any administration, Democratic or Republican, would have credibility. These professional experts paid by taxpayers are supposed to give the information so that we elected representatives can make informed decisions,” said Rep. Rangel. “Withholding professional estimates, and threatening to fire the professionals if they reveal them, not only violates the law, it derails democracy. That is serious, and we must bring those involved before Congress to testify as to what did they do and whether they did it on their own or under orders from above.”

"Foster's

testimony yesterday suggests that he alone cannot answer all of the questions raised by this deeply troubling episode. Understanding precisely who participated in this cover-up, directly or indirectly, and who knew about the threats made by Mr. Scully and Mr. Flick is important to help Congress and the Administration clear the air and prevent future abuses. Given what was finally disclosed earlier this week about the new law's negative effect on Medicare's long-term financial outlook, it's not hard to see why they withheld this critical information," said Rep. Stark. "There is no doubt in my mind that this legislation would not have been enacted had these estimates and analyses been made public during the process."

Yesterday,

Richard S. Foster, Medicare's Chief Actuary testified that he was ordered to withhold information from Ways and Means Committee Democrats on various parts of last year's Republican-backed Medicare reform bill as well as the estimates of overall participation and cost of the bill and previous bills on which it was based. Foster testified that the then-Administrator for the Centers for Medicare and Medicaid Services (CMS), Thomas A. Scully, threatened to fire him if he released the information to Democrats and the public. Foster also said White House senior health policy advisor Doug Badger and several other Bush Administration officials had learned in June that his professional estimates were much higher than the \$400-billion ceiling for the bill set by President Bush. Foster did not know whether the President or the Secretary of Health and Human Services received the information.

"We

need to hear from the then-boss of the Medicare actuary, who threatened to fire him. We need to hear from those in the Administration who knew starting last June that its estimates of the cost of the Republican Medicare bill were so much higher than what Congress was led to believe. We need to find out who authorized this withholding of information and whether Secretary Thompson, other cabinet officials or the president knew about it. But we know one thing, a guy like Rick Foster did not make a decision to deny that information to us on his own. And had this estimate been broadly known in Congress, last year's Medicare bill would not have passed," said Rep. Rangel.

The

witnesses that the Committee Democrats requested are Mr. Scully; Jeffrey Flick, Scully's then-top aide; Leslie Norwalk, then-Acting Deputy Administrator and the attorney at CMS that advised Mr. Foster; and Mr. Badger.